

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al. : 08-13555 (JMP)
Debtors. : (Jointly Administered)
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**ORDER GRANTING DEBTORS' MOTION PURSUANT TO SECTION 365 OF THE
BANKRUPTCY CODE AND BANKRUPTCY RULES 6006 AND 9014 FOR
AUTHORIZATION TO REJECT CONTINGENT MANAGEMENT
AGREEMENT WITH WESTLB AG**

Upon the motion, dated October 17, 2008 (the "Motion"),¹ of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors-in-possession (collectively, the "Debtors" and, together with their non-debtor affiliates, "Lehman"), pursuant to section 365(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for authorization to reject a Contingent Management Agreement, dated as of January 5, 1999 (as amended, the "Agreement"), by and between Lehman Brothers Financial Products Inc. and WestLB AG, New York Branch (f/k/a Westdeutsche Landesbank Girozentrale) ("WestLB"), as more fully set forth in the Motion; and the Court having subject matter jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and

¹ Capitalized terms used but not otherwise defined in this order shall have the meanings ascribed to them in the Motion.

1409 and due and proper notice of the Motion having been provided in accordance with the procedures set forth in the order entered September 22, 2008 governing case management and administrative procedures [Docket No. 285] to (i) the United States Trustee for the Southern District of New York, (ii) the attorneys for the Official Committee of Unsecured Creditors, (iii) the attorneys for the Debtors' postpetition lenders, (iv) the Securities and Exchange Commission, (v) the Internal Revenue Service, (vi) the United States Attorney for the Southern District of New York, (vii) all parties with a particularized interest in the Motion, and (viii) all parties who have requested notice in these chapter 11 cases, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion, without consideration of and without regard to those facts and assertions in the Motion that are disputed by WestLB in its October 30, 2008 Response to the Motion, establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted, without prejudice to any rejection damages claims that WestLB may have against the Debtors; and it is further

ORDERED that, pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006, the Agreement is hereby rejected effective immediately.

Dated: New York, New York
November 5, 2008

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE